THE

DEBATE

ON THE

EAST INDIA RELIEF BILL,

IN THE

HOUSE of COMMONS,

On MONDAY the 26th of June, 1786:

IN WHICH IS INCLUDED THE

HISTORY OF THE DIAMOND

DELIVERED TO THE RIGHT HON. LORD SYDNEY
BY MAJOR JOHN SCOTT.

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On Monday, the 26th of June, 1786.

THE report of the Committee on this bill having been brought up, the amendments were read a firſt time, and on the queſtion that theſe amendments be agreed to,

Mr. *Sheridan* roſe, and ſaid, he did not mean to go very much at length into the ſubject, but after the confident manner in which the Right Honourable and learned Gentleman oppoſite to him had declared that he would ſatisfy the Houſe; that the objections taken to the bill were ill-founded, and the doubts entertained of the truth and correctneſs of the report of the Eaſt India Directors, of the ſtate of their affairs, groundleſs, he did not expect the Right Honourable Gentleman would have waited for his riſing, but would have riſen himſelf and given the Mr. Sheridan.

Houſe the neceſſary information without obliging him to reſtate thoſe objections, and reaſſert thoſe doubts that he had expreſſed on a former day. Having made this exordium, Mr. Sheridan proceeded to argue upon the report and upon the papers that he had moved for, and which had been printed. He ſaid, the more he examined the ſubject, the more reaſon he had to complain of its having been delayed till ſo late a period of the ſeſſion; a delay that he had no manner of doubt was contrived on purpoſe to prevent diſcuſſion and elude the detection of thoſe fallacies on which the bill was grounded. In order to ſhew that the delay had been altogether unneceſſary, he read extracts from the accounts in his hand, particularly from the Bengal letter to the Directors, whence it appeared that no additional information on the leading and eſſential points had been received from Bengal ſince the firſt of January, and conſequently that moſt of the ſtatements in the Directors report, though roundly given, were mere aſſumptions and ſpeculations founded on no authentic accounts whatſoever. After having eſtabliſhed this, he entered into an inveſtigation of the two great queſtions in diſpute between him and Mr. Dundas, viz. the quantity or amount of the remittance to China furniſhed from Bengal, and the amount of the ſurplus revenues of Bengal. He referred to an infinite variety of ſtatements in different accounts before the Houſe, as evidence, that, although it had in a former debate been contended that India furniſhed a remittance to China to the amount of two hundred and ſeventy-five thouſand pounds, not more than ſix or ſeven thouſand pounds appeared to have been furniſhed. Having diſcuſſed this head of his argument much at large, he took up the other, and uſed a good deal of ingenious reaſoning to prove that fourteen hundred thouſand pounds was the full amount of the ſurplus of the revenue that could be expected from Bengal to go towards inveſtments, and towards the relief of the other preſidencies. He quoted a pamphlet, which he ſtated to be of authority, as it came from the pen of a perſon rather a favourite authority with the Right Honourable

Honourable and learned Gentleman [Mr. Dundas] oppoſite to him, and upon whoſe argument, he was, he ſaid, himſelf inclined to rely in the particulars to which it referred; although he did not agree with him in many others, not then under conſideration. The pamphlet in queſtion was written by Mr. Haſtings, and ſuppreſſed by him upon better recollection. The extract ſtated, that the drains of Bengal ought always to be allowed for, and that the utmoſt ſurplus revenue that could be expected from Bengal was a crore of rupees, or one million of money. Mr. Sheridan dwelt for a conſiderable time on this point, and oppoſed the authority of Mr. Haſtings reſpecting it to the arguments uſed by Mr. Pitt and Mr. Dundas upon the ſubject in former debates. He alſo ſaid, he expected to hear no more from the former of theſe Gentlemen reſpecting the 275,000l. ſent from India to China, as he had ſtated on a former day, unleſs he meant poſitively to contradict the papers that had been printed, and which had been preſented from the India Houſe in conformity to his motion. In the courſe of his ſpeech, Mr. Sheridan argued upon the immenſe quantity of bills drawn from India upon the Company at home, declaring, that in ten years time bills to the amount of twelve millions would be due. He aſked whether the Lords of the Treaſury, in permitting bills to ſo large an amount, and which were to be outſtanding till ſo diſtant a period, did not pledge that Houſe to renew the Company's charter when it ſhould next expire? He reaſoned upon the probable effect of ſuch a load of debt, and contended that it muſt prove ruinous to the Company. After a great deal of calculation, reaſoning, and remark, on the two principal heads above ſtated, Mr. Sheridan took notice of the declaration made by Mr. Dundas in a late debate, that the public were not pledged as a ſecurity for the money borrowed by the Eaſt India Company, and ſaid, if the fact were ſo, it could not be too well underſtood; he ſhould therefore move the inſertion of a clauſe, expreſsly declaring, that neither the preſent bill, nor any preceding bill, relative to the Company, that had paſſed the

Houſe, pledged the public in any way whatſoever. Before he concluded, he ſaid, he felt himſelf authoriſed by the papers he held in his hand to declare, that the report of the Directors of the ſtate of the Company's affairs, was equally fallacious with the ſtate of their affairs preſented to that Houſe in 1784, the errors of which the Directors themſelves had now confeſſed. That, in fact, ſo far from the Company's affairs in India wearing a promiſing aſpect, they wore a moſt alarming one; that they appeared to be rapidly verging to a ſtate of bankruptcy, and were already ſo deeply involved, that the relief now propoſed was merely tampering with their diſorder, and by no means an adequate and effectual cure. It would do more harm than good, and therefore it had better be withheld. Mr. Sheridan ended with moving his clauſe.

Mr. Dundas

Mr. *Dundas* roſe as ſoon as the queſtion was put "that this "clauſe be now brought up," and began with ſaying, that he was a little ſurpriſed at hearing the Honourable Gentleman declare, he expected him to have riſen and laid ſuch information before the Houſe as he was in poſſeſſion of: he dared ſay, the Houſe expected no ſuch thing at his hands. He had on a former day declared himſelf ready to anſwer any objection that ſhould be made to the bill, and to juſtify both its principles and its proviſions; he was ready and willing to do ſo ſtill, but he muſt hear the objections ſtated before he could anſwer them. He had liſtened with a good deal of attention to the Honourable Gentleman, and though he did not expect to be able to afford him ſatisfaction upon all the points to which he had alluded, he would endeavour to do ſo: but as an Honourable Baronet had on a former day ſaid he had ſome objections to ſtate to the principle of the bill, he ſhould be glad to know what thoſe objections were, as it would, perhaps, be more agreeable to the Houſe, and ſave much of their time, if he were in one ſpeech to anſwer all that was to be urged againſt the bill.

Sir Grey Cooper.

Sir *Grey Cooper* roſe, obedient to the Right Honourable and learned Gentleman's call, and ſaid, from the very deciſive manner

ner in which the Right Honourable and learned Gentleman had contradicted him, when he laſt took the liberty to ſubmit his opinion to the Houſe as to the nature of the condition upon which the charter had been granted to the Eaſt India Company, he had given the Right Honourable and learned Gentleman credit for having formed his judgment after much mature conſideration; he muſt, nevertheleſs, be allowed to adhere to his own opinion, and he would ſtate his reaſons for maintaining it. Sir Grey then went into a very accurate detail of the hiſtory of the Eaſt India Company, tracing it from its origin down to the preſent period, and ſtating the amount of the joint ſtock or capital at the æra of incorporation, and upon each renewal of its charter; whence it appeared, that the Company's capital was originally a few hundred thouſand pounds only, that it doubled it more than twice or thrice, till at laſt it poſſeſſed its preſent capital ſtock of three million two hundred thouſand pounds. Sir Grey ſtated the loan to the public of four millions, and ſuggeſted, that it was probable that loan was made by Government in order to give the proprietors of India Stock a collateral ſecurity, by their having a claim upon the public for as much as they had ſubſcribed towards their capital. Sir Grey argued this very ingeniouſly and ably, and endeavoured to prove, that the India Company, being, in the manner the bill warranted, empowered to admit not only their own proprietors, but all the world, to ſubſcribe at 160 per cent. to the new ſtock, were authoriſed, as it were, *to put their credit up to public ſale.* He diſcuſſed the danger of the precedent; ſhewed how far it was a departure from the particular conditions of incorporation; and pointed out the different conduct of other great incorporated Companies, particularly the Company of the Bank, who had with one uniform purity adhered to the conditions of their charter.

Mr. *Dundas* went through the whole detail of the ſtate of the affairs of the Company in Bengal, and anſwered the arguments Mr. Dundas.

of Mr. Sheridan and Sir Grey Cooper, oppoſing facts to ſome of the remarks and objections of thoſe gentlemen, arguments to others, and calculations, founded upon ſuch principles as rendered them in the higheſt degree probable, to the remainder.

Mr. Dundas ſat out with denying that he had waited for more news from India than he was in poſſeſſion of before he brought in the bill. He admitted that he knew as much of the ſtate of the affairs in Bengal ſix months ago as he knew at that hour. Indeed it was impoſſible that the reductions ordered by Government in the eſtabliſhments of Bengal, and from which ſo much was to be expected, ſhould have taken place till about the time that the meaſure propoſed by the bill was to be brought into Parliament; and therefore it would, he declared, have been ridiculous in him to have ſaid he waited to hear their effect before he offered it. He had waited merely till the Directors had thought it fit to apply. He confeſſed that he had entertained an expectation of a more ſevere and minute animadverſion on the principles on which the bill was founded, than he had heard. He ſaid, it was eaſy to prove that the Honourable Gentleman was much miſtaken in his notions of the remittance furniſhed for China from India, and alſo in his ideas of the probable ſurplus of the revenues of Bengal. He entered into a deep and detailed diſcuſſion of the former, in order to make out clearly and undeniably that it amounted to the groſs ſum of 275,000l. He denied that he had ever ſaid the remittance was made in ſpecie; undoubtedly it was not. It was made in a manner beneficial to the intereſts of the Company, becauſe it conſiſted in a great meaſure of an export of their commodity of opium, and an export of cotton, for which the money was paid into the Company's treaſury in China. He ſtated that in proportion as the commerce to Canton encreaſed, in like proportion would the export of opium and cotton increaſe; and he inferred from the premiſes he laid down, and various matters that

that had come to his knowledge, though other gentlemen could not be acquainted with them, that full 275,000l. would be remitted from India. After dwelling upon this for ſome time, he proceeded to the other head, viz. the ſurplus of the Bengal revenues; and he declared it to be his opinion, that, comparing the effect of the reduction of the eſtabliſhments with the former eſtabliſhments, and the increaſe of the revenues naturally to be expected, and all the other circumſtances of India taken into the conſideration, the ſurplus would amount to eighteen lacks, or 1,800,000l. But this opinion, though it was one, which, after a minute conſideration of the whole of the caſe, he had made up his mind to, was not an opinion to which he by any means pledged himſelf, or chiefly relied on in the argument upon which he ſhould reſt the juſtification of the preſent bill. He would allow a third of this ſum of 1,800,000l. to be taken away by contingencies, and would leave no more than 1,200,000l. for the inveſtments to be ſent home. He ſtated a variety of particulars to be provided for; ſuch as the halfpay of the Company's ſervants diſcharged, &c. and ſaid, in anſwer to that part of the ſpeech of Mr. Sheridan, in which he had ſtated the extracts from Mr. Haſtings's pamphlet, that he had no difficulty in admitting that Mr. Haſtings was a favourite authority with him, becauſe he was, generally ſpeaking, an authority to be relied on; but in the particular which the Honourable Gentleman found it convenient to hold up as authentic, although in almoſt every other particular he profeſſed to diſpute the credit due to Mr. Haſtings, he muſt beg leave to differ, and that without throwing the ſmalleſt imputation upon the argument urged by Mr. Haſtings in the pamphlet in queſtion; and for this reaſon—the whole of Mr. Haſtings's argument, when he ſtated that a crore of rupees would be the utmoſt that could be expected to be the tribute from Bengal, the drains of that kingdom properly allowed for, was grounded on the actual expence of the Bengal eſtabliſhments at that time.

The reductions ſince ordered from home had been ſo important and effectual, that they had totally altered the argument, and made the caſe widly different. Mr. Haſtings had ſhewn his good ſenſe, Mr. Dundas obſerved, in allowing for the drains Bengal was incidental to ſuſtain: he would be a ſhallow politician indeed, who did not make that allowance, and it was with a due attention to that neceſſary conſideration that he deſired to be underſtood as arguing all along. From this remark, Mr. Dundas proceeded to the part of his ſpeech which he laboured moſt, and about which he took very great, but by no means fruitleſs pains, to make a forcible impreſſion, viz. to evince the ſound policy of permitting the Company's ſervants in India to tranſmit their fortunes home to England, thro' the medium of inveſtments of the Company's ſhips, but for which they took bills on the Company at home. He ſtated that the practice had been for the ſhips of other European powers, our rivals in the commerce of India, to ſail for the Ganges; that they truſted for the money to purchaſe an inveſtment, ſolely to the Company's ſervants wiſhing to ſend their fortunes home to Europe; and that they thus found a Britiſh capital ready for them in India. He urged the ruinous tendency of this practice, and moſt eſpecially ſince the means that had been lately adopted for confining the tea trade to England to the Eaſt India Company. He obſerved, that it was our eſſential intereſt to throw difficulties in the way of our rivals, and to take into our own hands the advantages we had long ſuffered them to enjoy. That by permitting the ſervants of the Company in India to aſſiſt the Government there with their fortunes, we opened a new ſource of advantage and accommodation to them and to ourſelves. The Honourable Gentleman had talked of the Treaſury Board's allowing bills from India to ſo large an amount to be drawn on the Company at home, and had ſaid they might have ſent them back, if they choſe it. He admitted that they might. The Lords of the Treaſury had the power, no doubt,

doubt, but they would have acted in a moſt fooliſh, unjuſt, and impolitic manner, had they done ſo. Would any gentleman ſeriouſly contend, that, after having made uſe of the fortunes of the Company's ſervants in India, after having purchaſed inveſtments with their money, and derived a conſiderable degree of profit from the ſale of thoſe inveſtments here at home, it would be juſt in the firſt inſtance, or wiſe at all, to return their bills, and refer them back for payment in India? Surely no man would ſtand up and maintain ſo idle and ſo unfair an argument. Gentlemen talked of the enormous debt accruing upon the Company at home, and ſaid, in ten years twelve millions would be owing; was that the fact? Moſt undoubtedly it was not. Inſtead of twelve millions of debt, a new capital, to the amount of twelve millions, was forming. As faſt as it accrued, ſo much in proportion flowed into the Company's treaſury at home, and the means of diſcharging the debt uniformly accompanied its accumulation. Having urged this very ſtrenuouſly, and avowed himſelf a zealous friend to this ſyſtem, declaring that he never would conſent that the Company ſhould call itſelf a wealthy and flouriſhing Company at home, and a poor and diſtreſſed Company in India, he appealed to Mr. Huſſey, as a man who had taken pains to make himſelf maſter of the Company's affairs, and had been on various committees, deſiring him to point out a better mode of relieving Bengal, and declaring that he expected gentlemen, who objected to the ſyſtem laid down, would ſpecifically ſtate a more practicable one, or a ſyſtem mere likely to be attended with beneficial conſequences. After going through moſt of the principal arguments of Mr. Sheridan, he took notice of that of Sir Grey Cooper, and entered into an examination of the principles and conditions on which the United Company had been incorporated, tracing the exiſtence of the Eaſt India Company to Queen Elizabeth's time, and ſtating the union of the two Companies that had at one time exiſted to have taken

place

place in 1699, or thereabouts. He denied that the debt of the public to the Company was intended to be any ſort of collateral ſecurity to the ſubſcribers to the Company's ſtock, and exploded the arguments, that the two debts, that of the Company to their ſubſcribers and that of the public to the Company, were correſpondent, had any ſort of connection, or would run together. He mentioned that the terms were optional: the bond-holders might either keep their bonds, or ſubſcribe to the annuity. He reaſoned upon this and other relative particulars for a conſiderable time, and then returned to his former argument relative to the permitting the ſervants of the Company in India to lend their money to the Government of Bengal to be employed in the purchaſe of inveſtments, which he defended by new reaſoning, in the courſe of which he drew a moſt flattering picture of the future proſpects of India. He ſaid, it was true, that India, greatly exhauſted by the late ruinous war, required, as this country did, to be managed with every poſſible care and attention; but then, in proportion, India had leſs difficulties to ſtruggle with than Great Britain. He hoped to ſee India with a powerful army (on which her exiſtence depended), and a reduced, and œconomical civil Government; with her revenues increaſed, her expences moderate, her inveſtments large, her commerce flouriſhing. That India would yet prove a moſt valuable Britiſh poſſeſſion, that her intereſt was deeply and nearly connected with that of this country, was undeniable. In whichever part of the Britiſh dominion the ſtring cracked, the convulſion muſt be mutual; the ſtroke, be it given where it might, would be felt in both quarters of the globe, and that ſoon after it was ſtruck in either: but he hoped, ſuch a circumſtance was at a conſiderable diſtance, and that both Great Britain and India would enjoy a long, a happy, and an advantageous peace.

Mr. Sheridan,

Mr. *Sheridan* began by ſtating, that, from the vigour and length of the defence, he drew the inference that the Right Honourable

Honourable and learned Gentleman was convinced of the weakneſs of the ſide of the argument he was under the neceſſity of maintaining; and he the more particularly was induced to draw this inference, Mr. Sheridan ſaid, from the frequent aids he ſaw adminiſtered, while the Right Honourable and learned Gentleman was upon his legs. He had received a hint from one friend in a whiſper, and a *vivâ voce* inſtruction from a ſecond, and he had been furniſhed with a written calculation and argument from a third; ſo that it was evident the principal of his friends were conſcious he had a difficult taſk to ſuſtain.—[Mr. Dundas had been aſſiſted with hints in writing, and in a low voice in different parts of his ſpeech by Mr. Pitt, Mr. W. Grenville, and others.]—Having made this remark, Mr. Sheridan proceeded to diſcuſs ſeveral of the arguments of Mr. Dundas; and concluded with obſerving, that, as not one word had fallen from the Right Honourable and learned Gentleman againſt the clauſe he had moved, he took it for granted it would be agreed to.

Mr. *Francis* roſe, not, he ſaid, to follow the Right Honour- Mr. Francis.
able and learned Gentleman through all the extenſive ground he had gone over, but to make a few obſervations upon particular points. With regard to the flattering ideas ſuggeſted by the Right Honourable and learned Gentleman, he had before heard ſpeculations, promiſes, and expectations of the ſame ſort held out with the ſame confidence; and as often as they had been ſtated, they had failed of being realized, and the very reverſe of the picture been the actual exhibition. — The Right Honourable and learned Gentleman had taken pains to ſhew that no ſpecie was ſent out from India to China, and had talked a good deal about opium. Did not the Right Honourable and learned Gentleman know that opium was a contraband in China? Suppoſing, therefore, that enough could be run into China, did it become a great Company, like the Eaſt India Company, to turn ſmugglers, and by ſo doing endanger the total loſs of their commerce with China? But the Right Honourable

Honourable Gentleman had hinted at another commodity, which, he ſaid, the Eaſt India Company exported to China, and that was cotton. Was it poſſible that the Right Honourable and learned Gentleman could ſeemingly contend, that it was right to export cotton, a raw material of our Bengal manufacture, a material which we ourſelves imported into Bengal at conſiderable expence and trouble? Far better would it be to export ſilver wherever it could be had! Another matter the Right Honourable and learned Gentleman had dwelt on, had been the reduction of our eſtabliſhments in Bengal, that had been ordered from home. By the ſtate of the affairs in Bengal in 1784, there appeared to be a deficiency of 16 lacks and a half, or ſixteen hundred and fifty thouſand pounds, which deficiency, according to the Right Honourable and learned Gentleman's argument, was to be converted by a glorious reduction into a ſurplus of eighteen hundred thouſand pounds; ſo that between the one and the other there was a difference of three millions. If the Right Honourable and learned Gentleman was founded in his aſſertion, what muſt have been the eſtabliſhments that could have admitted of ſuch a reduction? Let thoſe who ſupported the late Governor General, conſider what ſort of argument this extraordinary circumſtance furniſhed reſpecting that gentleman's conduct! Theſe were all the remarks, Mr. Francis ſaid, he would annex to thoſe two points. He would proceed to the others. He then ſpoke of the tea trade. The tea purchaſed of European Companies on the continent in 1785 and 1786, he ſtated to amount to 1,825,163l. which was ſo much Engliſh capital furniſhed by the Britiſh Government to the rivals in trade of the Britiſh Eaſt India Company, to whom, by the commutation act, Parliament had profeſſed to give an excluſive monopoly of the tea import trade. With this money our European rivals would go again to China, and continue that trade we had weakly endeavoured to put a ſtop to. After urging this pretty pointedly, Mr. Francis ſtated the contradiction between

between the Directors former eſtimates of February and May, 1784, and the preſent, under three heads.

1ſt. That they had reckoned upon 250,000l. a year to be remitted from Bengal to China, whereas nothing had been ſent, and nothing could be ſent, without *utter deſtruction to Bengal.*

2ly. That, in the eſtimates of 1784, they had aſſerted that there would be a balance of caſh in their treaſury on the 1ſt of March, 1787, and the three ſubſequent years, as follows, viz.

March 1,	1787,	-	£. 611,998
	1788,	-	757,731
	1789,	-	488,526
	1790,	-	362,144

Whereas their preſent eſtimate ſtated, that, at the ſame periods, reſpectively, the balance would be *againſt* their treaſury as follows:

1ſt.	—	£. 927,524	real balances againſt.
2d.	—	744,792	
3d.	—	1,704,522	
4th.	—	1,533,835	

3dly. That, in the eſtimates of 1784, they had ſtated the bills to be drawn upon them in the ſame four years at 3,802,477l. whereas the bills that would really become due in that period, would amount, with intereſt thereon, to conſiderably more than ſix millions; the exceſs, by their preſent account, beyond their firſt calculation, was no leſs than 2,691,637l. Such monſtrous inaccuracy was, he ſaid, a ſufficient ground of diſtruſt. But had they, he aſked, even now ſtated the real ſituation of their affairs? They had not; and he aſſigned his reaſons for thinking ſo. Mr. Francis then aſſerted the following facts, drawn from authentic documents, or unqueſtionable information: That the Company's bonded debt in India, by the laſt accounts,

Amounted

	£.	s.	d.
Amounted to - - - - -	5,442,509	0	0
Arrears due - - - - -	3,797,290	0	0
Orders unpaid in Bengal only -	1,400,000	0	0
	10,639,799	0	0

That ſome articles were not ſtated in this account, which muſt be conſiderable; ſuch as arrears to the king's troops, and orders unpaid at Fort St. George and Bombay. On the whole, he was perfectly ſure that the Company's debt in India, at this day, muſt exceed twelve millions ſterling.—That in the concluding part of the report from the Committee of Accounts, there was a moſt extraordinary fallacy, viz. that, whether the mode propoſed by the Directors for paying their Indian bond debt took place or not, that is, whether bills, to the amount of ſix millions more ſhould be drawn upon them or not, *it would not make any important variation in the ſtate of the Company's affairs, with reſpect to the ſum wanted in England for the ordinary currency.* So extraordinary a propoſition required a clear explanation. All they ſay is, that if the creditors prefer being paid in India, it will leſſen the funds allotted to the inveſtment; but if they conſent to be paid in England, the amount will be brought home in inveſtments, out of which the bills are to be paid. If this ſtate of the caſe was true, it would be bad enough, ſince then the inveſtment would be brought home ſolely for the creditors, not for the Company. But then the money applicable to the diſcharge of the bonded debt would exiſt ſomewhere. The propoſition ſuppoſed the money to exiſt in India, and that all the difference was, whether the creditors ſhould receive it there, or allow it to be laid out in an inveſtment, and take bills on the Company: whereas the truth and fact was, that, ſo far from there being a ſingle rupee of ſurplus in Bengal, they had not wherewithal to pay their current expences; every department of Government was enormouſly

mouſly in arrear; the whole civil ſervice was paid with paper; and, ſo far from having a rupee to apply to the diſcharge of principal debt, they had opened their treaſury for money, for bills on the Directors, *in order to provide for the payment of the annual intereſt on the Company's bonds, and on other paper intitled to intereſt.* Now, ſuppoſe the Indian creditors were to pay in their bonds, and demand bills on the Directors to the amount of ſix millions ſterling. They *might* do ſo, and the bills *muſt* be granted. The Directors could not contradict their own propoſal, or refuſe to accept bills which they themſelves had permitted to be drawn. What would the ſituation of the Company be then? Why, in addition to all their preſent acknowledged difficulties, they would have ſix millions more to pay in England, without a ſingle ſhilling of additional aſſets; and conſidering how the credit of the bonds was depreciated in India, it was by no means unlikely that this event might happen. Mr. Francis then made ſome remarks on the ruined ſtate of the Company's credit in India, where their bonds were at thirty per cent. and their treaſury notes at eighteen per cent. diſcount, by the laſt advices. That, in this ſtate of diſcredit the Governor General and Council had reſolved, that the whole civil ſervice (except the ſalaries of 300 rupees a month) ſhould be paid by a farther iſſue of paper, which of courſe muſt increaſe the diſcount on the exiſting paper, and ſink it to nothing. Upon the whole, he was of opinion that the relief was inadequate to the diſtreſs, would do the Company no good, and would be entirely thrown away.

Mr. *Huſſey* ſaid, he had been ſo particularly alluded to by the Right Honourable and learned Gentleman, that he muſt ſay a few words. Mr. Huſſey owned it was very true, he had taken pains to make himſelf acquainted with the affairs of the Company; and though he was called on to ſtate ſpecifically a better mode of managing with regard to the inveſtments in India, if he objected to them, he would do his duty, and content himſelf with ſtating what his objections were to the ſyſtem propoſed, Mr. Huſſey.

propoſed, leaving it to others to find out ſubſtitute methods or ſyſtems. He had underſtood, that, inſtead of encouraging the ſervants in India to ſend home their fortunes in inveſtments, a ſtop was to be put to the practice: for what did it go to? To the length of ſaying, that, during a war, the Company muſt depend on their ſervants in India for money to furniſh out their inveſtments. Surely that was a wild ſuppoſition. Mr. Huſſey mentioned the commutation tax, and ſaid, pledging themſelves to the principle of that meaſure, was undoubtedly pledging themſelves to a great mode of relief of the Eaſt India Company.

Mr. W. Grenville.

Mr. *W. Grenville* ſupported Mr. Dundas, in a ſhort but able ſpeech, the main aim of which, however, was to point out, what he [Mr. Grenville] termed a groſs fallacy in the argument of Mr. Francis, who had ſaid, that, according to a former ſtatement of the affairs of Bengal, there had been a deficiency of ſixteen lacks and a half, or ſixteen hundred thouſand and fifty pounds, and that this deficiency was now converted into a ſurplus of 1,800,000l. which together amounted to more than three million. Nothing, he ſaid, could be more egregious than this attempt to deceive. The fact was, in the 1,650,000l. the Honourable Gentleman knew the unfunded debt of Bengal was included, and therefore it was juſt as unfair to ſtate that as a part of the deficiency on the balance of the year, as it would have been for any gentleman in that Houſe, at the end of the war, in comparing the annual income of Great Britain with its annual expenditure, to have taken in the whole of the unfunded debt at the time, and, in ſtating the balance of the one againſt the other, to have included the thirty-ſix million of unfunded debt as a part of the deficiency of the year's income. Mr. Grenville expreſſed himſelf in terms of warmth and indignation at this attempt to miſlead the Houſe, and moſt eſpecially at the manner in which the Honourable Gentleman had glanced at Mr. Haſtings: an alluſion ſo introduced, and reſpecting a gentleman ſo peculiarly cir-

circumſtanced, he ſaid, was as indecent with reſpect to the Houſe, as it was wanting in reſpect to the Honourable Gentleman himſelf.

Sir *Grey Cooper* ſaid a few words in explanation of his former argument, which, he ſaid, had been miſtated by Mr. Dundas. Sir Grey Cooper.

Major *Scott*.—I riſe, Mr. SPEAKER, to offer a few obſervations in reply to what has been ſaid by an Honourable Gentleman oppoſite to me [Mr. Francis]; and if I do deviate in a ſmall degree from the immediate queſtion before you, I truſt, Sir, I ſhall be indulged in a liberty which has been taken by the Gentlemen who have already ſpoke to the queſtion, which, as you, Mr. Speaker, have informed us, is, whether the clauſe now in your hand ſhall be brought up. The Honourable Gentleman has told you, that it will be impoſſible for Bengal to afford the relief which is wanted for the China trade, ſtated at 275,000l. ſterling a year. I perfectly agree with him, that an exportation of ſpecie to that amount cannot be made without ruin to Bengal; but there are other modes by which a remittance can, and I truſt will, be effected in future. The Honourable Gentleman knows that the amount of the opium produced in the provinces of Bengal and Bahar is very conſiderable, and that laſt year it ſold in Calcutta for above twenty lacks of rupees. I believe it very poſſible, that from this article alone China may be ſupplied with the relief which the directors have ſtated to be neceſſary from Bengal. The Honourable Gentleman has ſaid that opium is a prohibited trade in China; that it is unworthy and dangerous for the Company to be concerned in a prohibited commerce. I agree with him that it is againſt the laws of that empire; but he knows perfectly well, that the only year in which the Company as principals were engaged in that commerce, was in 1781, and then it was owing to very peculiar circumſtances. The ſupra cargoes at Canton wanted a ſupply of caſh to furniſh their inveſtment—the Company in Bengal wanted money Major Scott

for their various exigencies—the navigation of the Indian ſeas was dangerous, and there was little or no ſale for opium in Calcutta—ſo that the ſcheme for that year was merely temporary; and under all the misfortunes that attended it, from the capture of one ſhip, and the long voyage of the other, the ſupra cargoes received ninety-three thouſand pounds ſterling in the treaſury at Canton, for the opium which was diſpoſed of. Another point is neceſſary to mention, and ſurely the Honourable Gentleman muſt know it, that though opium is, by the laws of China, a prohibited commodity, yet the ſale of it is not conducted by ſmugglers in the manner illicit articles are brought into this country; but the opium is publicly landed and ſold, in the middle of the day, with the knowledge and connivance of the ſuperior Government officers at Canton, who receive their fees publicly for allowing the trade to be carried on. The Honourable Gentleman alſo knows, that a very ſmall proportion of the opium produced in Bengal and Bahar is carried to China direct; the greater part is ſold in the Eaſtern Iſlands, and tin, pepper, dollars, and other articles, are received in return, which are again diſpoſed of to a profit in China; ſo that I do not think I am too ſanguine, in hoping that the opium of Bengal and Bahar may in future produce all the money that India ought to ſupply for the China inveſtment. With reſpect to cotton, ſurely the Honourable Gentleman muſt know, that that article, ſo far from being ſent from Bengal to China, is not, in fact, the produce of Bengal—We receive it from Surat, Bombay, and Guzzerat, and a ſmall quantity is brought down the Ganges, and the jumna from the upper parts of Indoſtan. As to the debts of India, I am very ready to agree with the Honourable Gentleman, that they are very conſiderable, and beyond the amount I had conceived they would have been. The difference between the Honourable Gentleman and myſelf is this, as he will find by referring to what we both ſaid in this Houſe about two years ago. He would not then allow that peace was even in proſpect,

ſpect, and he had therefore good reaſon for thinking our ſituation was deſperate. On the other hand, I did believe it would have been concluded ſome months earlier than it was; of courſe there was the expence of two conſiderable armies, the one at Madras, the other in Guzzerat, to be calculated ſeven or eight months beyond the period at which I thought thoſe expences would have ceaſed; ſo that the operation of the various retrenchments which have taken place, is doubtleſs much later than I had eſtimated it to be. But I deſire the Honourable Gentleman to compare the amount of the debt which the ſucceſsful war in India has intailed upon us, with that which has been intailed upon this country by the unſucceſsful war in which we have been engaged in every other quarter of the globe. The former, even by the Honourable Gentleman's account, is not more than two years of our Indian revenue; whereas the unfunded debt alone of the nation, at the cloſe of the late unfortunate war, amounted to 36 millions ſterling. With reſpect to the debts of Bengal, I deem them of no conſequence. The bonded debt amounts to 165 lacks, and the annual revenue is 450 lacks. Such a charge upon ſuch a revenue is nothing. It is, in fact, merely paying 12 lacks of rupees a year, till you can with conveniency diſcharge the principal of the debt; for I do not believe a rupee of the bonded debt in Bengal will be ſubſcribed to the remittance ſcheme; and for this reaſon, that the whole of the bonded debt, or nearly the whole, is the property of the natives; and I agree with the Honourable Gentleman, who, if I miſtake not, gave it as his opinion in Bengal, that a moderate bonded debt, where you have ſo noble a revenue, is rather of ſervice than otherwiſe. With reſpect to the Bombay bonded debt, which is the unfortunate load upon the Company, and which muſt ruin us inevitably, if it is not brought home, that I hope will all be ſubſcribed to the remittance loan —that debt I believe to be intirely the property of Engliſh gentlemen, and by far the greater part of it of gentlemen now

in England. Bombay has neither revenues nor reſources, and you will beggar Bengal, by paying even the intereſt of ſuch an enormous debt in India: ſo that I hope and truſt that that debt will be transferred to this country. Part of the Madras arrears are paid off, and there they poſſeſs revenues to defray their own expences in future. If, after ſubſcribing the Bombay and Madras debts to the remittance loan, a part of the floating paper or treaſury orders in Calcutta ſhould be ſubſcribed to make up the ſum authorized by the Directors, all difficuties will vaniſh in India, provided the peace continues; for upon that, in my opinion, every thing depends, and upon that ſubject, the moſt important of all others, the Honourable Gentleman has not ſaid a word; but if we continue a few years at peace, all will be well. The Honourable Gentleman has mentioned the ſtate of public credit in Bengal, and the want of ready money. I agree with him, that both circumſtances are very alarming; yet the Honourable Gentleman knows to what cauſes to attribute both. By the paper now upon your table, it appears, in addition to the prodigious drains made from Bengal, during the late war, and to the time Mr. Haſtings quitted the government, in February, 1785, that, between the 1ſt of May and 31ſt of December, 1785, above 52 lacks had been ſent to Madras, Bombay, and China: added to theſe ſums, between the 31ſt of December and the 20th of January, either 12 or 15 lacks have been ſent at one time from Calcutta to Madras, where their wants were very preſſing; and the Honourable Gentleman knows the operation of ſo large a remittance at one time amongſt the natives, who are in the habit of hoarding their money, and ready to take alarm upon all occaſions: but if peace continues—for on that I cannot too ſtrongly repeat every thing depends—they will bring it out again. The Honourable Gentleman knows that when Mr. Haſtings arrived in Bengal the bond debt amounted to 126 lacks of rupees, the diſcount upon the bonds was then very conſiderable, and public credit very low; but as ſoon as the

bonds

bonds began to be paid off, they bore a premium, and credit was completely reſtored. So it will be again. Let ten lacks of the preſent bond debt be diſcharged, and you will hear no more of a diſcount upon the bonds. As to the reſources of Bengal, the Honourable Gentleman knows that they have increaſed during the war. Mr. Haſtings improved the old, and explored new ſources of revenue: all therefore that we want is a few years of peace, and a vigorous and œconomical adminiſtration. It has been the conſtant object of Mr. Haſtings to encourage domeſtic and foreign commerce by every means in his power. The trade to the Gulphs, which he had always encouraged, will revive upon the peace, and a very advantageous trade has been opened with Thibet; a commerce Mr. Haſtings has induſtriouſly purſued from his firſt arrival in Bengal, to the day he quitted the Government. Thibet produces what Bengal very much wants, a great quantity of pure, virgin gold. A ſpecimen of this gold I had the pleaſure to ſee a few days ago: it was brought over in the King George Indiaman, and was contained in a letter from the Grand Lama to Mr. Haſtings. The languid circulation of ſpecie in Bengal will, I truſt, be relieved by receiving gold from Thibet in exchange for the manufactures of Great Britain, and thoſe productions of Bengal which are conſumed in the countries that divide that kingdom from China.

As I have mentioned the valuable productions of Thibet, I hope the Houſe will indulge me with a few words relative to the valuable curioſities of another country; I mean the produce of the mines of Golconda. Nor do I, Mr. SPEAKER, wantonly intrude this ſubject upon you. From the day the Honourable Gentleman [Mr. Sheridan] mentioned in this Houſe, that an extraordinary valuable diamond had been preſented by me to Lord Sydney at an extraordinary time—and I believe he did it without any ſerious deſign—I have ſeen every circumſtance of this tranſaction ſo infamouſly miſrepreſented, that what appeared at the time very farcical and very laughable, is now be-

come ſo ſerious, that, I truſt, I ſhall be permitted to reſcue my character from the calumny that has been attempted to be caſt upon it; for I am the culpable perſon, if there is blame any where, and not Mr. Haſtings.

On Friday the 2d of June, when I was in my place in this Houſe, an Honourable Member, whoſe name I do not recollect, was ſo good to bring a letter to me, which he received at the door, and I now beg permiſſion to read it to the Houſe.

" My dear Scott, 2d June, 4 o'clock.

" I have juſt received a packet, of ſuch apparent importance, " as alarms me for the conſequences of keeping it in my poſ- " ſeſſion; and I therefore give you this unſeaſonable trouble, " to requeſt that you will take the earlieſt poſſible means to " communicate this information to Lord Sydney, with the fol- " lowing circumſtances relating to it, which are all that I yet " know concerning it.

" The packet was delivered to me by Mr. Blair, brother- " in-law to Mr. Richard Johnſon, and I have given him my " receipt for it. It was directed to me; I opened it, and found " it to contain an Engliſh endorſed paper, ſealed, which I " have not opened, a letter from the Nabob Nizam Ally Cawn " to the King, a letter from the ſame Nabob to myſelf, dama- " ged, and ſcarce legible, if legible; and a ſmall bulſe ſealed " with 3 (or I believe 4) ſeals, bearing the Nabob's principal " title. Theſe are all much ſoiled with the ſea water, having " been originally ſent on board the Hinchinbroke, and re- " covered from the wreck. Beſides the above, there were a " letter of a more recent date from the ſame Nabob to me, " and other Engliſh papers.——I gueſs the purport of the ef- " faced letter to be a commiſſion to me to deliver the letter to " the King, and moſt probably the bulſe with it, the contents " of which I have not a clue to conjecture. Suppoſing that it " may contain ſomething of value, and in that caſe of no ſmall " value, I think it neither conſiſtent with my intereſt or credit " to keep it an hour longer in my cuſtody than abſolute ne- " ceſſity

"ceſſity may require, and therefore requeſt that I may be re-
"lieved from the charge; and that for that purpoſe you will
"be ſo good as to endeavour to obtain Lord Sydney's permiſſion
"that you may deliver the packet, with all its contents, to
"him; concluding, that while the preſent enquiry laſts, his
"Lordſhip would prefer that mode to my own perſonal atten-
"dance.

"Your affectionate,

"W. HASTINGS."

This 2d of June was the ſecond day's debate upon the Rohilla war, and an Honourable Gentleman oppoſite to me [Mr. Francis] was juſt then riſing to ſpeak: I therefore wrote upon a ſlip of paper to Mr. Haſtings, that I was then particularly engaged, but would take the earlieſt opportunity of ſpeaking to Lord Sydney. The Houſe did not riſe till near eight o'clock on Saturday morning, and I was then more diſpoſed to go to ſleep than to wait upon the noble Lord; but when I ſaw Mr. Haſtings, I told him that I ſhould be certain of meeting Lord Sydney on Monday the 5th, at the birth-day, and would then ſpeak to him. Either I did not ſee his Lordſhip on the Monday, which I believe was the fact, or, if I did, I forgot to ſpeak to him; but I declare to this Houſe, upon my honour, that not leſs than five or ſix times during the week Mr. Haſtings ſpoke to me, begged me to ſee Lord Sydney, expreſſed his uneaſineſs at keeping the letter and the bulſe ſo long in his poſſeſſion, and deſired me to take them with me, which I declined, from an apprehenſion that I might be robbed of them: but the delay in the delivery is imputable to me, and to me alone, not to Mr. Haſtings, who expreſſed very great anxiety at retaining poſſeſſion of them ſo long after he received them from Mr. Blair. — With reſpect to myſelf, I ſhall only obſerve, that I was very particularly engaged all the week, and that the Houſe of Peers did not meet from Friday the 2d till Monday the 12th; but the latter end of the week I told Mr. Haſtings that I ſhould be certain to meet Lord

Sydney on the following Monday, (the 12th,) and would certainly there ſpeak to him. On the Monday, on my coming down to the Houſe, I went immediately to the Houſe of Lords, and there ſaw Lord Sydney, who, upon my applying to his Lordſhip, and delivering Mr. Haſtings's meſſage as contained in his letter, Lord Sydney appointed the following day at half paſt nine for me to call upon him, which I did, and gave to his Lordſhip the letter from the Nizam to his Majeſty; the bulſe, ſealed with the Nizam's ſeal, the contents of which I have never ſeen; and three papers contained in the Engliſh endorſed letter: theſe were, a tranſlation by Mr. Johnſon of the Nizam's Perſian letter to his Majeſty, an explanation of the particular terms, or expreſſions in that letter, and a tranſlation of the Nizam's Perſian letter to Mr. Haſtings; and I left all theſe papers with the noble Lord. What the Honourable Gentleman means by alluding to the extraordinary time in which the letter and bulſe was delivered, I proteſt I do not underſtand, nor can I conceive what inferences can be drawn from it, derogatory to the honour of Mr Haſtings, or any other perſon. But there is one circumſtance that has been moſt confidently aſſerted, ſince the Honourable Gentleman mentioned this affair in the Houſe, which, if it were true, would indeed give an extraordinary turn to the whole buſineſs; but I can fully prove that the aſſertion to which I allude is a moſt impudent, and ſcandalous falſehood. In two morning papers it was ſtated that Mr. Blair delivered the packet containing the letter and the bulſe to Mr. Haſtings on Friday the 26th of May. I have been very accurate in my enquiries as to this fact, and I find that the packet was brought to England in the Rodney by Major Maclary, who is now at his brothers's near Newbury — but from a gentleman who lives in Queen-ſquare, Mr. Paxton, at whoſe houſe Major Maclary reſided when in town, I have diſcovered that Major Maclary arrived in London on a day that the Honourable Gentleman [Mr. Sheridan] will immediately

mediately recollect — I mean the day of the Vauxhall jubilee, at which the Honourable Gentleman and many of his friends were, I believe, preſent. That was the 29th of May; and Mr. Paxton told me this morning, that the packet lay for ſome days in his parlour, and that Major Maclary had told him, it contained, as he was informed by Mr. Richard Johnſon in Calcutta, a valuable diamond. On this account Mr. Paxton adviſed him not to ſend it by a ſervant, but to deliver it himſelf to Mr. Blair in Portland place, and to get a receipt for it. Mr. Paxton ſaid he did ſo, either on the 1ſt or 2d of June; but, to put it beyond all diſpute, I went yeſterday to Mr. Haſtings to the country, who aſſured me that he received it on that day, after I had left him; and as it has been his cuſtom for many years to enter every day whatever occurrences he has thought worth minuting down, I copied the following memorandum from his diary.

"London, 2d June, 1786.

"At two P. M. received from Mr. Blair, a packet from "Richard Johnſon, containing letters from Nizam Ally "Cawn, and other papers moſtly recovered from the Hin- "chinbroke—one to the King, with a bulſe; contents un- "known—ſent a note to Major Scott, to apprize Lord Sydney, "and to deſire that he might deliver them to his Lordſhip."

After producing this document, and referring to the evidence of Major Maclary, Mr. Paxton, and Mr. Blair, no gentleman can entertain the ſmalleſt doubt of what I poſitively aſſert, that it was on the 2d of June, and not on the 26th of May, that Mr Blair delivered the packet to Mr. Haſtings.

I have now ſtated all the circumſtances of a tranſaction which has been ſo indecently, and ſo infamouſly miſrepreſented out of doors, from the day the Honourable Gentleman alluded to it in this Houſe. If there was a blameable delay in delivering a letter, and a bulſe, addreſſed to his Majeſty, it reſts with me, and not with Mr. Haſtings. What the Honourable Gentleman means by the extraordinary circumſtances that

that attended its delivery, I again repeat I am at a loſs to diſcover. I delivered the letter and the bulſe publicly to one of his Majeſty's ſecretaries of ſtate, who is alſo the firſt member of the Board of Controul, not as a matter of ſecrecy, or that could or ought to be concealed; for I conceive it to be of infinite importance to the welfare of this nation as connected with India, that Nizam Ally Cawn, the Soubah of the Deckan, the firſt prince in India in rank, and of great weight and power, who had formerly been ſo hoſtile to our nation, and ſo cloſely connected with France, ſhould for the firſt time ſeek a connection with us, and that he ſhould have addreſſed a letter to his Majeſty. His mode of doing it was highly reſpectful, perfectly conſonant to the mode in which an inferior prince in Indoſtan addreſſes a ſuperior: nor will any man acquainted with the cuſtoms and manners of Indoſtan ſuppoſe that he could have commenced a correſpondence in any other manner, preſerving the reſpect that was due to the ſovereign of this great empire. Whether the bulſe did contain a valuable diamond or not, is a fact of which I declare, upon my honour, I am utterly ignorant, never having ſeen its contents; nor can any perſon for a moment ſuppoſe that the contents of that bulſe, whatever their value, could be of the ſmalleſt conſequence to the high perſonage to whom they were ſent. I am convinced the ſeals were never broken from the day they left Hyderabad, until after I had delivered them to Lord Sydney, who was the regular official channel, as Mr. Haſtings had been informed by the late Chairman of the Court of Directors, to whom letters addreſſed to his Majeſty ought to be delivered; and prior to this, Mr. Haſtings had received letters from the Shazada, the Nabob Vizier, and Madagee Sindia, addreſſed to his Majeſty, the receipt of which he immediately communicated to the Chairman, who, if I miſtake not, deſired him to wait upon Lord Sydney. So far was I from conceiving myſelf employed upon a ſecret commiſſion, that on Tueſday the 13th, after I left Lord Sydney's houſe, I went to

the

the India houſe, to relate to the Chairman and Deputy what I had done; but having waited two hours, I believe, without ſeeing the former, I mentioned all the circumſtances to the Deputy Chairman.

I have now related every part of this buſineſs, and beg pardon of the Houſe, for having detained them ſo long, though it is a digreſſion that I did not ſeek, but was forced into. Why Mr. Johnſon, after the letters and the bulſe were recovered from the wreck of the Hinchinbroke, and from the Laſcar who ſtole them from Captain Church, did not ſend them home by the Swallow packet, the firſt diſpatch, or by the Intelligence packet, the ſecond, but kept them for the Rodney Indiaman, the third, I know not, nor does Mr. Haſtings; but it was entirely owing to me, and not Mr. Haſtings, that he kept them two hours in his poſſeſſion, after he received them from Mr. Blair. In fact, he would have ſent them away without opening the Engliſh indorſed paper, which contained a tranſlation of Nizam Ally Cawn's letter to himſelf; and I have no other reaſon for ſuppoſing the bulſe did contain a diamond, than this, that the Nizam tells Mr. Haſtings, in his letter, he had ſent one; and Mr. Johnſon, in his letter to Mr. Haſtings, expreſſes a wiſh, that he might be honoured with the delivery of his Majeſty's reply to the Nizam's letter, he being at that time our public miniſter at the Court of Hyderabad.

Mr. *Baring*, in a ſpeech of very few words, explained a part of his pamphlet that had been referred to in the courſe of the debate. Mr. Baring.

Mr. *Dempſter* began his ſpeech with ſome figurative expreſſions. The Bengal budget, he ſaid, had at laſt been opened, and the picture it preſented had been a gay one, ſet in gold, and ſtudded with diamonds. After ſo brilliant an exhibition, ſomething more ſombre might perhaps be received with ſome attention. Mr. Dempſter then complimented Mr. Dundas on the information he had laid before the Houſe, obſerving that it proved Mr. Dempſter.

proved the ſucceſs of his ſtudy to underſtand the affairs of India. He argued againſt the tea trade, as circumſtanced according to the Right Honourable Gentleman's argument. If we were to carry on a loſing trade, nationally conſidered, with regard to the balance of exports and imports, at the expence of a large export of bullion never to return to the country, far better would it be, he ſaid, to paſs a bill to prevent the importation of a ſingle pound of tea more. He compared the ſtate of India and Great Britain in reſpect to public debt, and ſaid India was moſt happily circumſtanced upon a comparative view of the two kingdoms. Her debt was not more than three years purchaſe of her revenue. The caſe with us was far different. This he ſtated to be one proof of the merit of the late Governor General, who, though in ſome few particulars he might not have goneſtraight forward, and acted preciſely as the rigid rules of right directed, and as cold caution would have proceeded, had eſtabliſhed his character as a good general œconomiſt, an able financier, a diſcreet manager of the revenue, an acute ſtateſman, a vigorous Governor General, and a zealous friend to the intereſts of his employers.——Mr. Dempſter ſaid, he had no intention of praiſing Mr Haſtings, but the occaſion offered ſo naturally and fairly that he could not avoid doing him ſomething like juſtice.

Mr. Fox. Mr. *Fox* roſe, though, he ſaid, by no means to debate the bill, but merely to ſtate his ideas of the principle of the commutation tax, without entering into any diſcuſſion of it at large. The Houſe, he flattered himſelf, were with him in his idea of the principle of that tax; if it ſhould prove that they were not, he muſt then declare that he had a very ſtrong objection indeed to the preſent bill. What he underſtood to be the principle of the commutation tax was this: to confine the import of tea into England, to the Eaſt India Company, and to ſecure to them that monopoly, but to avoid encouraging a larger conſumption of tea in England than had been uſual before. He would not, Mr. Fox ſaid, trouble the Houſe with any arguments

ments at that time upon the extreme neceſſity that the Houſe ſhould not be pledged to ſupport the Eaſt India Company in an extenſion of their tea trade, over and above their monopoly of the import of the whole of the quantity uſually conſumed in England previous to the paſſing of the commutation tax; neither the period of the ſeſſion, nor the queſtion of the day rendered any ſuch diſcuſſion neceſſary: he would therefore reſerve his ſentiments upon that head till a more fit opportunity.

Mr. Pitt.

The *Chancellor of the Exchequer* ſaid, that the Right Honourable Gentleman was perfectly accurate in his ſtatement of the principle of the commutation act; it was ſtrictly this, "that "all the tea conſumed in Great Britain ſhould come through "the Eaſt India Company, inſtead of the hands of ſmugglers, "who neither promoted the navigation, nor contributed to the "revenue of the kingdom." But though it was by no means a part of that principle, that Parliament were bound to encreaſe the conſumption, yet neither was it a part of the principle, that means were to be uſed to prevent the encreaſe of it. He ſhould, as the Right Honourable Gentleman had done, avoid entering into any argument whatſoever on the ſubject or principle of that meaſure, but ſhould only ſtate, in anſwer to the ſuggeſtions of the Right Honourable Gentleman, what appeared to him the grounds on which the Houſe ought on any future occaſion to proceed in forming a judgment on the propriety of encouraging or reſtraining an encreaſed conſumption of teas. It ſhould firſt be conſidered how far the conſumption of that commodity interfered to prevent the uſe of any produce or manufacture of our own country; and then, whether the exportation of ſilver bullion which would become neceſſary to ſupply the encreaſed conſumption, that bullion being purchaſed by our manufactures, and as an additional quantity of it became neceſſary for the China market, giving an opportunity for an additional vent for thoſe manufactures—whether ſuch encreaſed exportation would not in its effect of encreaſing the vent for our manufactures, compenſate to the country for the loſs it might

might ſuſtain by the want of conſumption for thoſe manufactures that might be injured by the uſe of tea. That, he ſaid, would be the faireſt ground on which to argue ſuch a queſtion; and though perhaps it might alſo appear in a variety of other points of view, yet he conſidered that as by many degrees the principal. From the hint he had dropped on the ſubject of the exportation of ſilver, it would naturally be ſuppoſed that he did not ſubſcribe to the doctrine of an Honourable Gentleman oppoſite to him; and he confeſſed he wondered how any Gentleman, who to ſuch a general knowledge of commercial ſubjects added ſo much ſound ſenſe and judgment, could entertain the ſentiments on that ſubject which he had ſo recently expreſſed. It appeared from what the Right Honourable Gentleman had ſaid, that he had not yet dropped his deſign of ſhewing his hoſtile intention to the plan of commutation which it had been his good fortune to introduce, and which had been found ſo amply to repay his pains and attention by the happieſt effects on the commerce, the revenue, and the navigation of the empire; but ſtill it appeared he was not yet prepared to come forward with that direct and avowed oppoſition which he had ſo long threatened, but which he believed the Right Honourable Gentleman's prudence would prevent him from doing as long as he found that Houſe and the public to be fully conſcious of the ſingular benefits which they derive from it—and for his own part, though on his bringing it forward it might be ſuppoſed to be attended with ſome degree of uncertainty, yet his experience of it had every day more fully convinced him of its merits. The Right Honourable Gentleman had now very prudently narrowed his ground, and, inſtead of attacking the general principle of the commutation bill, had confined himſelf to a collateral obſervation; but for his own part, let the oppoſition come againſt whatever part of it, or in whatever ſhape it might, he was at all times ready to meet it, and felt himſelf happy in the conſciouſneſs that he had both general principles and actual ſpecific experience on his ſide in ſupport of the meaſure.

Mr. *Fox*

Mr. *Fox* roſe again and ſaid, he had taken juſt as much notice of the commutation tax as the queſtion before them called for, but he had neither narrowed his argument to avoid a reply, nor abandoned his opinion againſt the tax. Were it neceſſary to argue it then, he was ready to have gone fully into it, and to have diſcuſſed all that prodigious merit, which the Right Honourable Gentleman was on all occaſions ſo ready to beſtow on it, but which by the bye he had never heard any other Gentleman, except the Right Honourable Gentleman and his immediate friends, honour it with. Mr. Fox added, that he had heard the Right Honourable Gentleman challenged again and again to debate the tax and its tendency, but that he always ſhunned the controverſy. Mr. Fox.

Mr. *Dempſter* roſe again, but was told from the Chair, that he had already ſpoken. Mr. Dempſter ſaid, with great deference, he believed he had a right to explain; his argument had been miſtated by the Right Honourable Gentleman oppoſite to him. He had not contended that the exportation of all bullion was impolitic, but the exportation of bullion that was not to return again to the country. He reminded the Houſe of the change upon the face of the trade of Europe, that the great import of bullion from America had at its firſt taking place many years ſince operated. What then were we to expect from the very reverſe of that circumſtance's occurring; for when we exported bullion to China, we muſt not expect it to return, as was the caſe with countries holding a mutual intercourſe and commerce for their mutual manufactures and commodities. Mr. Dempſter.

Mr. *Sheridan* roſe merely to remind the Houſe, that they had not heard one word of argument, or even of objection againſt his clauſe, and therefore he was entitled to expect it would meet with the univerſal concurrence of all preſent. Mr. Sheridan.

The queſtion was put on Mr. Sheridan's clauſe, and negatived without a diviſion.

FINIS.